GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

STARRED QUESTION NO:189
ANSWERED ON:16.03.2005
REFUND OF FEE BY CELLULAR OPERATORS
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Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Telecom Regulatory Authority of India has asked all the cellular operators in the country to refund the fee charged from users on their migration to other cellular service;

(b) if so, the details thereof; and

(c) whether the direction issued by TRAI has been adhered to by the cellular operators in this regard; and

(d) if not, the reasons therefor?

Answer

THE MINISTER OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI DAYANIDHI MARAN)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT TO BE LAID ON THE TABLE OF THE LOK SABHA IN RESPECT OF PARTS (a) TO (d) OF LOK SABHA STARRED QUESTION NO. 189 FOR 16.3.2005 REGARDING REFUND OF FEE BY CELLULAR OPERATORS.

(a) & (b) Telecom Regulatory Authority of India (TARI) had notified 4th Amendment of Telecommunication Tariff Order (TTO), 1999 on 28.7.1999 prohibiting service providers from levying a charge when a subscriber moves from one tariff package to another. Under the provisions of this Amendment Order `Installation charges shall be imposed by any service provider only when a customer subscribes initially to the packages offered by the service provider. No installation charge shall be imposed when a subscriber moves from one package to another offered by a particular service provider`. However, it may be noted that these Orders will not be applicable when a subscriber moves from one service provider to another service provider. TRAI is empowered and has been monitoring the compliance of these Orders by service providers through tariff reports and consumer feedback. The authority has issued Orders/Directives whenever any instance of migration fee being levied by the service provider had come to its notice. So far, the Authority has issued Refund Orders in 6 cases as per details given below:

(i) Directive dated 15.3.01 to all service providers directing them to delete statement in all the documents providing for charging of migration fee and WPC charges and to refund to the subscribers any such amount if charged since the implementation of TTO (4th Amendment) i.e. 1st May 1999.

(ii) Order dated 1/1/2004 to Idea Cellular Ltd.
(iii) Order dated 1/1/2004 to Bharti Cellular Ltd.

(iv) Order dated 1.1.2004 to Reliance Infocomm.
(v) Directive dated 26.10.2004 to Idea Cellular Ltd.
(vi) Directive dated 26.10.2004 to Bharti Cellular Ltd.

(c) & (d) The service providers have complied with the Refund Orders/Directives issued by the Authority and the refund process is completed in cases
(i) to
(v) above. As regards
(vi) above, Bharti Cellular Ltd. had refunded the migration fee levied to 98% of the subscribers and is in the process of providing the refund to the remaining 2% of the affected subscribers who had left the Airtel network. In the case of these subscribers the Authority on 18.2.2005 has further directed M/s Bharti Cellular Ltd. to issue advertisement in newspapers offering the refund to them and giving them one month time to claim the refund from the date of advertisement. The service provider has given advertisement in several newspapers on 24.2.2005 asking the remaining subscribers to claim refunds. The service providers have generally adopted the following modus operandi for making the refunds:-

(i) In the case of active subscribers the refund was made by crediting the amount of refund to the customers account by way of necessary adjustment i.e. as talk time for prepaid customers and as adjustment in bill for the next billing cycle in the case of post paid customers.

(ii) In the case of de-activated customers the amount was refunded by way of issuing cheque to the individual customers.